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Director's Meeting

Wednesday, 14 May 1952

PRESENT: General Smith, Messrs. Dulles, Wisner, Wolf, Becker, Hedden, [REDACTED]

Mr. Dulles:

a. Referred to the item in today's log and noted that the Panel mentioned therein had completed its report.

b. Referred to the "Berlin situation" and asked Mr. Becker if we were preparing an estimate on this matter. Mr. Becker stated that a paper would be completed on Friday, 16 May, and another to include Austria would be completed on Monday, 19 May. In this connection, the Director stated he had spoken to Secretaries Bruce and Pace, advising them that we might expect another blockade and "hoped" that [REDACTED] people were making appropriate preparations for such a contingency. Mr. Pace assured that they were.

Mr. Wisner:

a. In response to a query from Mr. Dulles, briefly discussed a recent operation involving the use of a U. S. [REDACTED]

b. Raised the question of Le Monde and Admiral Fechteler's alleged statement and asked DCI if he had had an opportunity to speak to CNO. The Director stated that the Admiral was out of town and would not be back for a few days. However, he (the Director) believes we can safely take action on the premise that no such statement was made. Mr. Wisner noted he intended to speak to [REDACTED] and ask him to request the [REDACTED]

c. Recommended [REDACTED] as our chief of paramilitary training. After some discussion of [REDACTED] qualifications, the Director stated he would consider him along with other nominees. (NOTE: Mr. Dulles concurred with DD/P's recommendation.)

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Mr. Wisner (Cont'd.)

d. Noted that early returns in the Panamanian elections indicate that Ramon would be elected.

e. Reported on a meeting he attended with representatives of State and Defense concerning the proposed report of the Bureau of the Budget on PSB and stated:

(1) That agreement had been reached on most of the questions raised; however, Budget still desired to take PSB out of the operating and coordinating fields.

(2) If this was done, Defense believes PSB would "die on the vine".

(3) The State representative would not take a stand on this question without further advice from his Department.

After some discussion the Director stated that in view of the composition of the Board itself, it was impossible for it to get out of the operational and coordinating fields since each member, by the very nature of his duties, was actively engaged in such operations. General Smith went on to say that insofar as the activities of the staff of PSB are concerned such activities would be controlled by the Board, particularly to the end that "they do not irritate other governmental agencies". After some discussion the Director stated that (1) CIA would recommend that the directive in question not be issued, and (2) he had no objection to Mr. Wisner discussing this matter with the staff.

Mr. Wolf:

a. Noted that the funds for our new building were being placed in the [ ] construction program. In this connection the Director noted that Mr. Staats had indicated there was still a possibility we might get the Munitions Building.

Mr. Becker:

a. Noted that [ ] of OCI had prepared an excellent briefing on the Berlin situation together with a map showing location of the Russian canal, etc., and asked if the Director would like to see this prior to the IAC meeting on 15 May. DCI indicated he would and noted that 12 noon would be a convenient time for him.

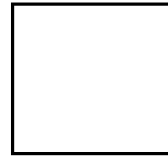
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Mr. Becker (Cont'd.)

b. Noted that [ ] who has just returned from Europe, had additional information on the problem of Berlin coordination and both he and [ ] would be present at the IAC Meeting on 15 May when this item is discussed.



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